

LAND BOARD AGENDA ITEM
April 21st, 2008

**PRELIMINARY APPROVAL FOR SALE OF LAND BANKING
PARCELS**

**SOUTHWESTERN LAND
OFFICE**

	<u>Parcels</u>	<u>Acres</u>	<u>Isolated Acres</u>
Powell County	3	943.15	463.15

SOUTHWESTERN LAND OFFICE

Sale # 379, Powell Co. - received comments from FWP, Skyline Sportsmen and Anaconda Sportsmen. They expressed concern over a portion of Rock Creek, which is a bull trout recovery stream that flows through the SW1/4 of section 34. They also expressed concern over loss of grizzly and black bear habitat. *SWLO response: Rock Creek has had restoration work to enhance the habitat for cold water fish species to include bull trout. A one half mile segment of the stream does cross section 34. Most of the stream crosses private lands and has been rehabilitated through the cooperation of those landowners with the Blackfoot Challenge and the Blackfoot Trout Unlimited. It will be DNRC's intent, to advise potential purchasers of these parcels, of the wildlife and fish values associated with the property and to encourage them to work with the land and wildlife management agencies and organizations to protect those values. Bear habitat, for both black and grizzly, is abundant in the Blackfoot Valley, much of it on private lands. The Blackfoot Challenge has worked with agencies and private land owners to protect and enhance bear habitat while providing for management that protects both the bear and people. State or private ownership of the three parcels in question will have little if any impact on bear habitat or populations.*

Sale # 380, Powell Co. - received comments from FWP, Skyline Sportsmen and Anaconda Sportsmen. They expressed concern over loss of grizzly bear habitat, and believe covenants or conservation easements should be placed on the property that would exclude development that would be detrimental to grizzly bear use. *SWLO response: The 160 acres in section 26 has no legal access and provides no public recreational values. Bear habitat, for both black and grizzly, is abundant in the Blackfoot Valley, much of it on private lands. The Blackfoot Challenge has worked with agencies and private land owners to protect and enhance bear habitat while providing for management that protects both the bear and people. State or private ownership of the three parcels in question will have little if any impact on bear habitat or populations.*

Sale # 381, Powell Co. – received comments from FWP, Skyline Sportsmen and Anaconda Sportsmen. This tract is currently accessible for hunting via BMA, the area also provides bear, deer and elk habitat, and FWP noted use by grizzlies could be extensive. *SWLO response: The 303 acres in section 36 has no legal access but can currently be used by the public through the FWP Block Management Program. There is no assurance of continued public access or use under state or private ownership. Bear habitat, for both black and grizzly, is*

abundant in the Blackfoot Valley, much of it on private lands. The Blackfoot Challenge has worked with agencies and private land owners to protect and enhance bear habitat while providing for management that protects both the bear and people. State or private ownership of the three parcels in question will have little if any impact on bear habitat or populations.

LAND BOARD AGENDA ITEM
April 21, 2008

**PRELIMINARY APPROVAL FOR SALE OF LAND BANKING
PARCELS # 379, 380 & 381
POWELL COUNTY**

Seller: State of Montana, Department of Natural Resources and Conservation

Nominators: Parcel 379 – Lessees Phillip S & Carla J Brumit
Parcel 380 - Lessee Karen B Hooker
Parcel 381 - Lessee Nevada Creek Ranch

Location: Parcels 379 & 380 – Are located seven miles east of Ovando, north of Highway 200, in Kleinschmidt Flats.
Parcel 381 – Is located 12 miles southeast of Ovando, between Highway 141, on the side of Trapper Mtn.

Property Characteristics: Parcel 379, 380 & 381 - The primary vegetation type on these parcels is native grasses. Livestock grazing is the principal land use. Some timber exists on the North end of Sale 381. The quality of this timber is low and it is located on a steep slope and therefore hard to manage.

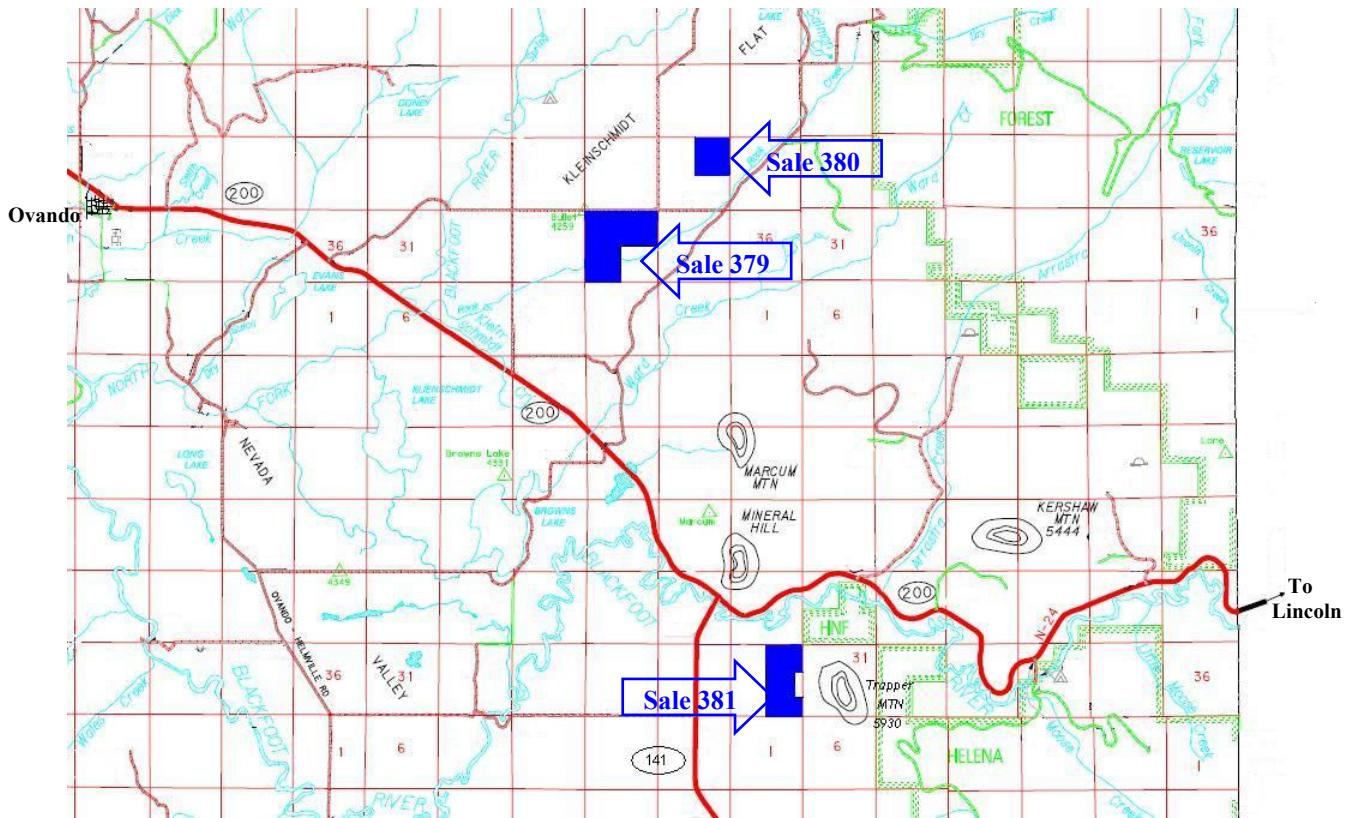
Access: Parcel 379 – Has legal public access from a county road running along the north side of the parcel.
Parcel 380 – Has no legal public access.
Parcel 381 – This has no legal public access, but is currently accessible through the immediately adjacent Nevada-Ogden Block Management Area. This BMA has been in existence since 1993.

County	Sale #	# of Acres	Legal	Trust
Powell	379	480	N½ & SW¼; Section 34, T15N-R11W	Public Buildings
Powell	380	160	NE¼; Section 26, T15N-R11W	Public Buildings
Powell	381	303.15	LOTS 1,2, W½E½, NE¼NE¼, SE¼SE¼; Section 36, T14N-R11W	Common School

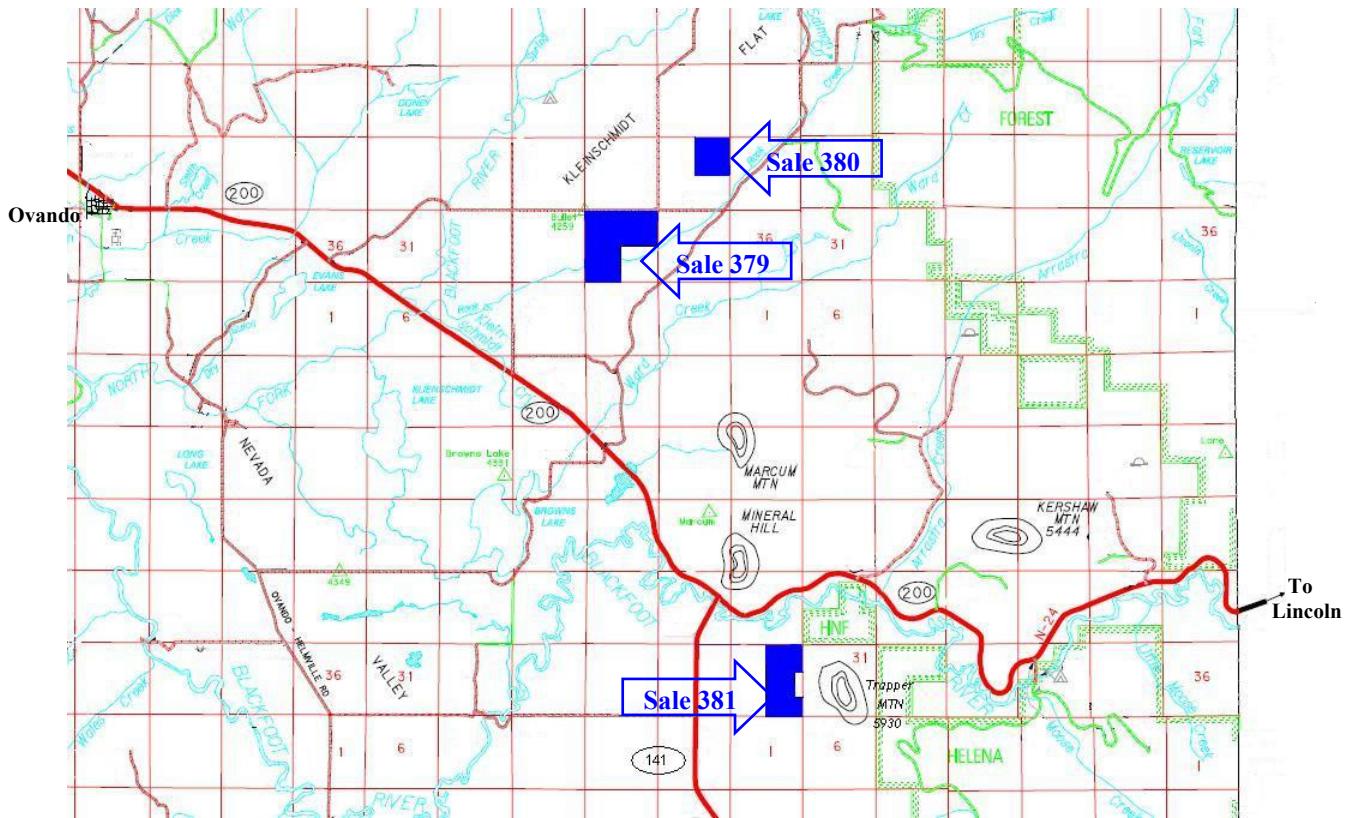
Total Acres **943.15**

MEPA Issues: None Identified

Recommendation: The Director recommends that the Board give preliminary approval to sell Parcels # 379, 380 & 381.



Powell County Sales



Powell County Sales

Land Board Agenda Item

April 21st, 2008

Spring Prairie Permanent Easement Exchange, DNRC, Northwestern Land Office Section 36, T29N, R22W

Proposal: Easement exchange involving the Department of Natural Resources and Conservation's (DNRC) current Northwestern Land Office / Kalispell Unit (NWLO) administrative site and its proposed new administrative site.

Proponent: DNRC

Acres:

CURRENT EASEMENTS		
4.08 acres	State Forester, Easement # D-3923, Issued 1957	\$1,065,000
4.086 acres	DNRC, Easement # D-6862, Issued 1977	\$1,069,000
8.166 acres	Totals	\$2,134,000
PROPOSED EASEMENTS		
11.0 acres	Administrative Site	\$1,853,000
1.8 acres	1980 lineal feet City Road Right of Way	\$158,000
12.8 acres	Total	\$2,011,000

Location: Within the City of Kalispell (see attached map)

Beneficiary: Common Schools

The Northwestern Land Office requests Land Board consideration of a proposed easement exchange within the state trust land section known as Spring Prairie located in the City of Kalispell, Section 36, T29N, R22W. The proposal is to exchange a 4.08 acre and 4.086 acre permanent easement currently held by DNRC on the east side of section 36 for permanent easement of equal or less value on the west side of section 36 (see attached map).

The 2007 Legislature appropriated funding for the DNRC to build a new Northwest Land Office complex. That appropriation is initiating this exchange request. The new office complex will co-locate DNRC Water Rights, Trust Lands, Forestry, and DEQ staffs in the Kalispell area. This easement exchange will occur during the next 12 month period.

The following describes how the proposed easement exchange relates to the Board of Land Commissioners Exchange Criteria:

1) Equal or Greater Value:

The current easements are a combined total of 8.166 acres and are valued at \$2,134,000. The easements proposed for acquisition are a total of 12.8 acres, with 11 acres proposed for the administrative office location and 1.8 acres for easement acquisition of Stillwater Road right of way located in

the SW4 of Section 36. Combined, these two proposed easements are valued at \$2,011,000. Therefore, in this proposed exchange of easements, the Common School Trust would be receiving value in the amount of \$123,000.

Meets the Criteria

2) **State Land Bordering on Navigable Lakes and Streams:**

No lands identified in this proposed easement exchange border navigable lakes or streams.

Does not apply

3) **Equal or Greater Income:**

The existing 4.08 and 4.086 acre easements will be terminated, thereby making this area available for its highest and best use of commercial leasing. Based on the current value of approximately \$6/ sqft and the current retail climate on the north end of Kalispell, the trust is positioned for greater income potential. The property on the west side of the section has a current value of approximately \$3.74/ sq ft.

In addition, the Department plans to make the trust whole with the inclusion of the Stillwater Road right of way in this proposed easement exchange, thus positioning the trust for greater income due to adjacent lands having legal access.

Meets the Criteria

4) **Equal or Greater Acreage:**

The current easements contain a combined total of 8.166 acres; the future easements are a combined 12.8 acres. The constitutional requirement for Land Exchange is for the lands exchange to be “as closely as possible equal in area”. The State office complex proposed easement will allow for future expansion and co-location of government offices.

Meets the Criteria

5) **Consolidation of State Lands:**

This being an easement exchange within the same section of school trust land, consolidation of state land is not affected.

Does not apply

6) **Potential for Long Term Appreciation:**

The 8.166 acres made available to the beneficiary is highway frontage on US Highway 93 within the City limits of Kalispell, one of the hottest retail markets in the state. Appraisals show land values along this highway frontage have doubled in the past 6 years.

Meets the Criteria.

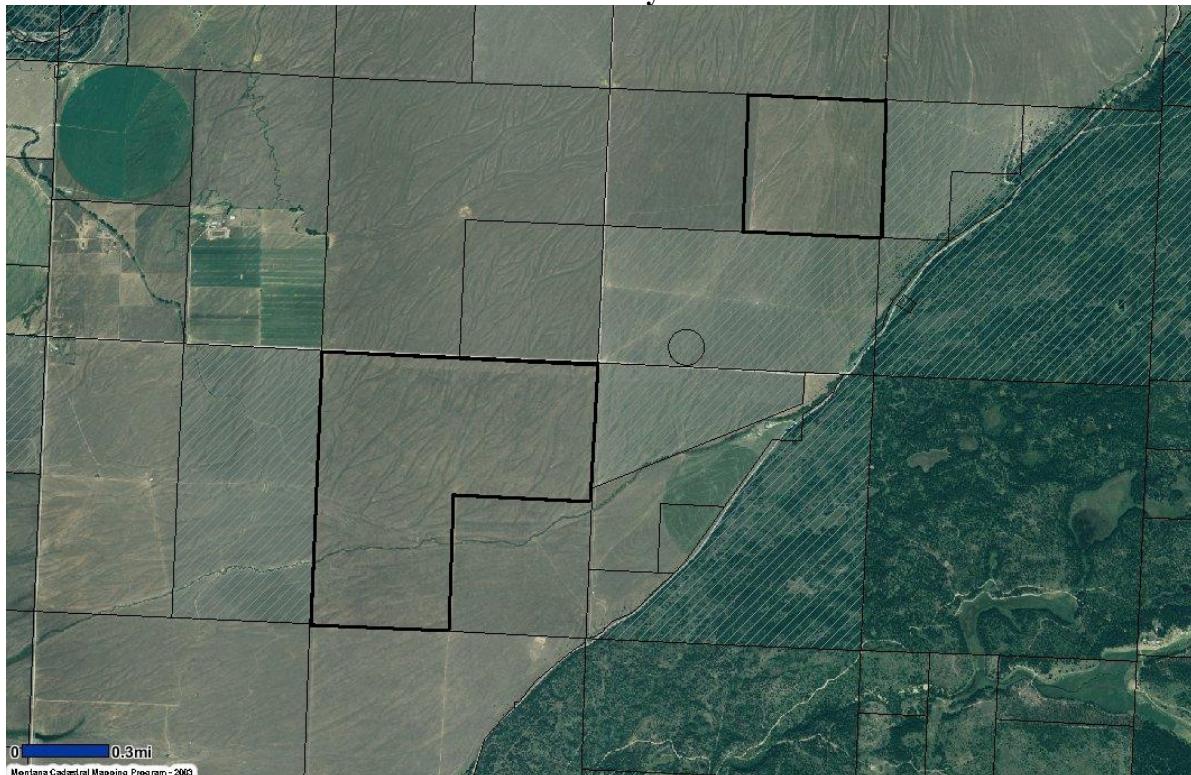
7) Access:

All lands identified in this exchange have legal access as proposed.

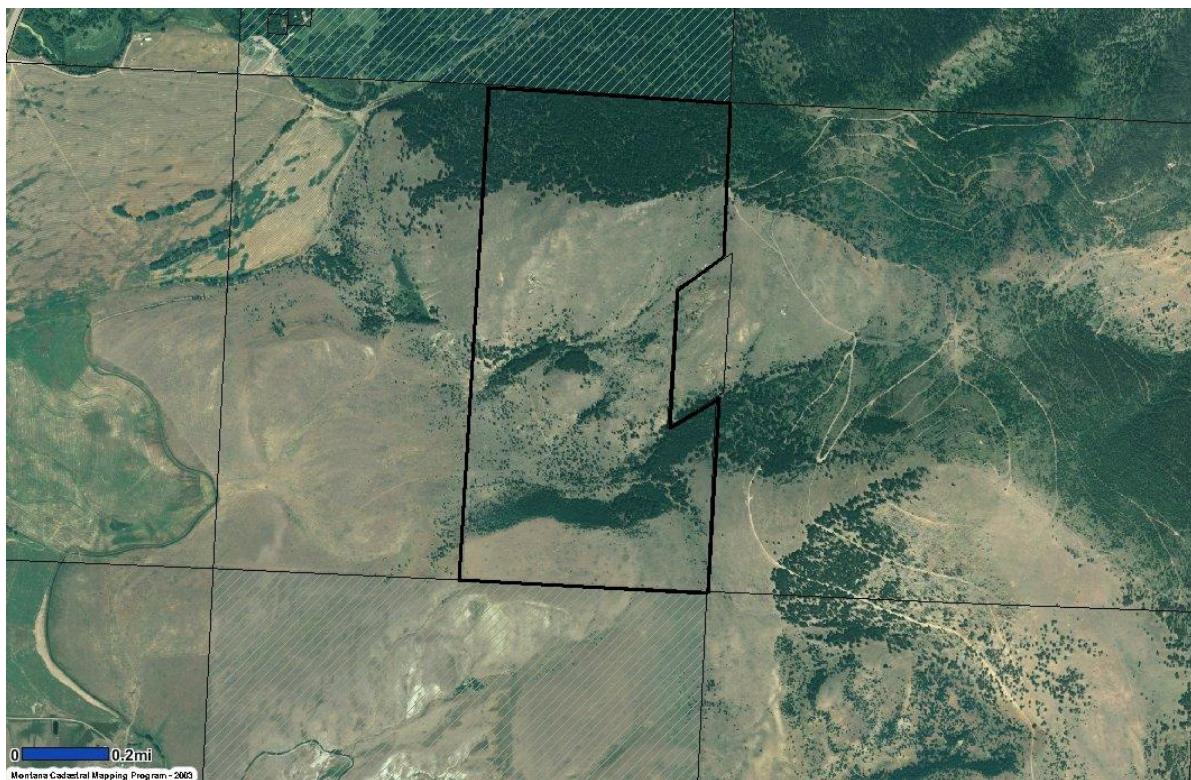
Meets the Criteria.

Recommendation: The Director recommends that the Board give final approval to this easement exchange.

Powell County Sales



Sale #'s 379 & 380



Sale # 381